



FROM THE TOP

Dynes' Desk on a possible VERIP

Editor's note: Dynes' Desk is a way for anyone to e-mail a comment, idea or suggestion to University of California President Robert Dynes. While he is not able to respond personally in most instances, Dynes does read each e-mail submitted. In each edition of "Our University," a UCOP newsletter, he responds to a couple of Dynes' Desk e-mails addressing issues of broad interest to the UC community. To submit an e-mail to Dynes' Desk, go to www.universityofcalifornia.edu/president/desk.html online. Below is President Dynes' response to a recent question concerning a possible voluntary early retirement incentive program.

E-mail: Will the University consider offering faculty and/or staff a voluntary early retirement incentive program (i.e., a VERIP) in the near future?

Robert Dynes: The short answer is "no." I know many faculty and staff are eager for some form of early retirement incentive program under the UC retirement plan, but it just doesn't make sense for the university right now, or even in the next several years, for a number of reasons.

- UC has been growing and, even considering the state budget constraints, we believe we will need to retain the majority of our faculty and staff to support the core academic mission. We're already facing major challenges and costs in recruiting faculty.

- Offering a VERIP, even if only to targeted groups, would represent a significant cost to the UC Retirement Plan, and we must be very careful about how much we burden the plan. A recent actuarial analysis found that the likelihood of having to resume contributions to UCRP within the next five years has increased substantially. Funding a VERIP would cause employer and employee contributions to the university's retirement program to begin sooner than would be the case without a VERIP. We are particularly concerned about doing anything that could cause contributions to resume during a time when the state is not providing adequate funding for faculty and staff salary increases.

So, the bottom line — while I certainly understand the wishes of many faculty and staff on this subject — is that the university will not offer a UCRP retirement incentive, like the former VERIP programs, for the next three years, and has no current plans to offer such a program after that time.



University of California
President Robert Dynes

